

SECTION 5.04. The Original Indenture is hereby amended by deleting item (3) of sub-paragraph (c) of § 3.05(B) thereof as heretofore amended and inserting in lieu thereof the following:

“(3) stating, if any Bonds of the 1976 Series, of the 1977 Series, of the 1981 Series or of the 1983 Series shall then be outstanding, that none of the Bonds retired have been retired to satisfy, or through the operation of, the sinking funds for the Bonds of the said Series or any improvement and additions fund.”

SECTION 5.05. The Original Indenture is hereby amended by deleting the first paragraph of § 5.04 thereof and inserting in lieu thereof the following:

“§ 5.04. That there are not now outstanding and that the Company will not (except as permitted by the provisions of § 5.05) at any time create or allow to accrue or exist any liens prior to or on a parity with the lien of this Indenture upon the mortgaged property, or any part thereof, other than permitted liens and (i) any mortgage or other lien on any property hereafter acquired by the Company which may exist at the date of the acquisition of such property by the Company and (ii) purchase money mortgages created by the Company at the time of acquisition of such property (all such mortgages and liens permitted by the foregoing Clauses (i) and (ii) being hereinafter in this § 5.04 called “Acquisition Liens”); *provided, however,* that (a) the amounts secured by Acquisition Liens shall not exceed in aggregate amount at any one time outstanding fifteen per centum (15%) of the greatest principal amount of the Bonds, at any time theretofore outstanding and (b) except for purchase money mortgages securing, in the aggregate, not in excess of Five Hundred Thousand Dollars (\$500,000), shall not, when added to all other indebtedness (other than indebtedness which is not included in determining Combined Capitalization) of the Company and its subsidiaries secured by mortgage or lien (including this Indenture), exceed in aggregate amount at any one time outstanding sixty-five per centum (65%) of the Combined Capitalization of the Company and its subsidiaries; except that such fifteen per centum (15%) limitation upon the amount secured by Acquisition Liens shall not be applicable to any Acquisition Lien on property formerly constituting all or substantially all of the property used in connection with the manufacture, transmission or distribution of gas (in each case excluding property of the general character of Excepted

Property) by another corporation, authority or legal entity engaged in an established utility business so long as such Acquisition Lien shall not constitute a lien on any substitution, replacement, accession, addition, alteration, improvement, betterment, development, extension or enlargement to that part of the mortgaged property which is not subject to such Acquisition Lien, it being contemplated that only the property acquired from such other corporation, authority or legal entity and substitutions, replacements, accessions, additions, alterations, improvements, betterments, developments, extensions or enlargements thereto shall be subjected to such Acquisition Lien. For the purpose of this paragraph the unpaid balance of the purchase price of property to be acquired by the Company or any of its subsidiaries pursuant to the provisions of any conditional sales agreement or lease-purchase agreement shall be deemed to be secured by a purchase money mortgage on such property.”

SECTION 5.06. The Original Indenture is hereby amended by inserting in § 5.14 thereof as heretofore amended, immediately after the words “Bonds of the 1976 Series or of the 1977 Series or of the 1981 Series”, wherever said words appear in said section, the words “or of the 1983 Series”.

SECTION 5.07. The Original Indenture is hereby amended by deleting § 5.17 thereof and inserting in lieu thereof the following:

“§ 5.17. That the Company will not, without the consent of the holders of not less than 66% of the Bonds outstanding, create or acquire any subsidiary; *provided, however,* that nothing herein contained shall prevent the acquisition by the Company of not less than seventy-five per centum (75%) of the outstanding shares of voting common stock of another corporation engaged in an established utility business if (i) such shares so acquired shall be duly and validly subjected to the lien of this Indenture, by a supplemental indenture in form satisfactory to the Trustee, containing provisions with respect to payment of dividends to the Company, voting by the Company, mergers, consolidations and recapitalizations and other matters at the time usual in collateral trust indentures securing obligations of the general character of the Bonds, and (ii) such utility corporation shall not at the time of such acquisition, and the Company hereby covenants that such utility corporation will not thereafter so long as it remains a subsidiary, (a) own or hold any substitutions, replacements, ac-